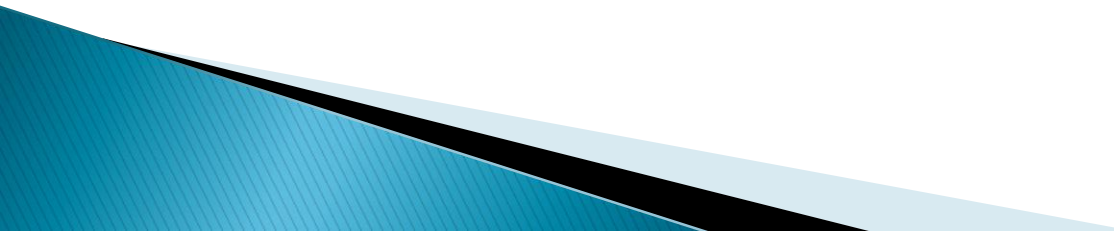


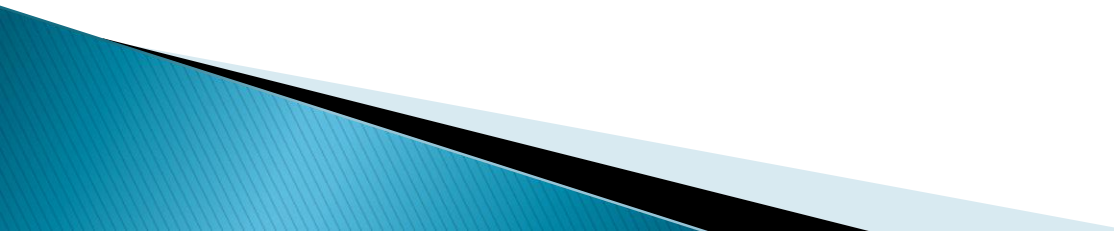
Mayor Mike McGinn 2011–2012 Proposed Budget

September 27, 2010

New Economic Reality

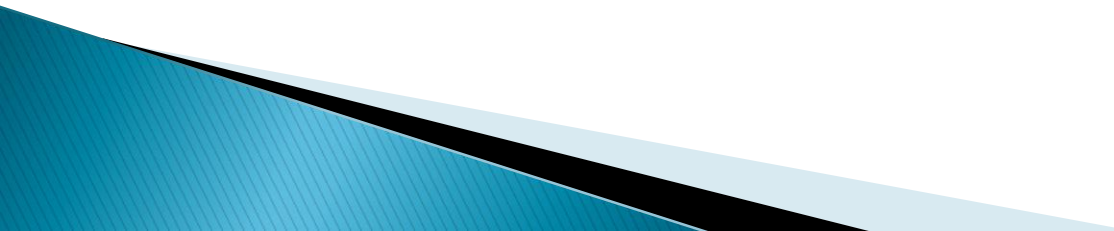
- ▶ Revenue growth rate has dropped substantially & is not expected to go back to where it was any time soon.
 - ▶ Days of one-time fixes for balancing our budget are over.
 - ▶ Facing shortfalls across all our operating funds.
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Living Within Our Means


- ▶ 2011–2012 Proposed Budget is sustainable.
 - ▶ 2011–2012 Proposed Budget prepares us for the fiscal reality of the coming years.
 - ▶ 2011–2012 Proposed Budget lays the groundwork for a longer-term transformation of City government.
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Meets Seattle Residents' Priorities


Provides :

- ▶ safe neighborhoods;
 - ▶ strong safety net for our most vulnerable residents;
 - ▶ opportunities for Seattle's children and youth to thrive and succeed;
 - ▶ access to high-quality cultural and recreational opportunities; and
 - ▶ an infrastructure system that will support healthy commerce and efficiently carry people, goods, and information into the future.
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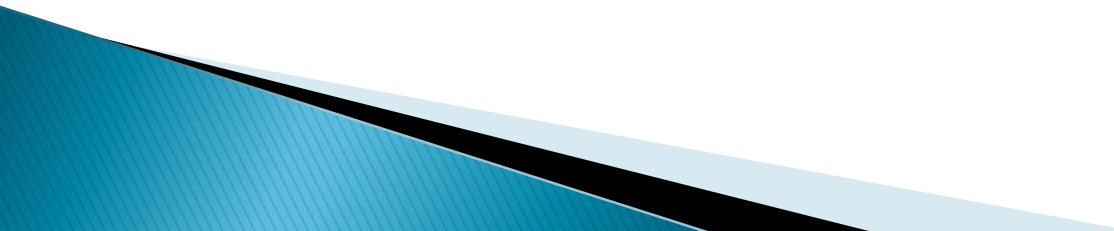
Budget Approach

- ▶ Find ongoing cost-savings – discontinued various bodies of work and eliminated positions.
 - ▶ Find internal and administrative savings – assumes labor cost savings & other inflationary roll backs, consolidate functions, renegotiate purchasing contracts & reduce discretionary costs, including travel.
 - ▶ Streamline management functions & expand span of control by eliminating or reclassifying senior-level positions.
 - ▶ Avoid increases in general taxes; instead target revenue increases toward users of various City services.
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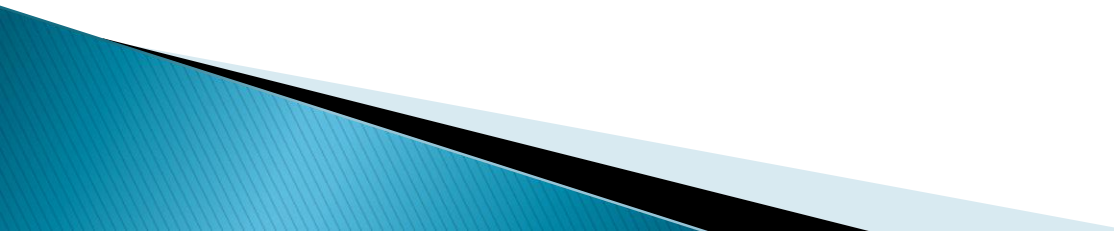
Results

- ▶ Two-thirds of budget gap closed by expenditure savings.
 - ▶ One third of budget gap closed through revenues.
 - ▶ Judicious use of one-time cuts; 2012 budget is balanced.
 - ▶ We're preserving reserves.
 - ▶ We're funding the Emergency Subfund to the greatest amount allowed under Washington State law.
 - ▶ We're increasing the total value of the Rainy Day Fund to just over \$11 million.
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Big Picture

- ▶ 2011 Proposed Budget totals \$3.9 billion, including the City's \$888 million General Fund.
 - ▶ Eliminates 294 positions (net) or 2.67% of the City's total work force.
 - ▶ Cuts include 64 senior level positions or nearly 22% of overall position cuts (i.e., executives, managers, and strategic advisors).
 - ▶ Cuts result in 214 layoffs, effective January 4, 2011.
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Police & Fire

- ▶ By redeploying our work force, we'll have more police officers on the street. The Proposed Budget supports an all-time high of 585 sworn officers assigned to patrol in 2011, up from the current record-high levels of 555 officers in 2010.
 - ▶ Our current firefighting strength of 990 active personnel is maintained with no reductions to companies assigned to neighborhood fire stations.
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Human Services

- ▶ By capturing savings in overhead costs and curtailing inflationary increases, the Human Services Department is able to preserve funding for most contracts with community partners who deliver the actual services.

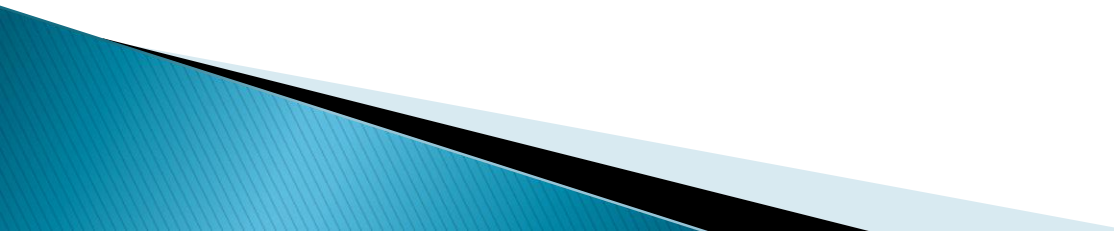
Parks & Recreation

- ▶ Preserves funding to keep swimming pools open and lifeguards at all of the City's public beaches.
- ▶ Continues operation of 15 of the 22 wading pools located throughout the city.
- ▶ 20 community centers will provide the same operating hours as in 2010.
- ▶ Use of remaining six community centers will be limited.
 - The Rainier Beach Community Center and Pool will temporarily close for two years to allow for construction of a new community center and pool.
 - Five other community centers – Alki, Ballard, Laurelhurst, Queen Anne, and Green Lake – will have reduced operating hours.

Libraries

- ▶ The library is making 8.5% in cuts yet keeping all current hours of operation at 2010 levels by restructuring management of branches.
- ▶ Library's systemwide one-week closure (the week before Labor Day) – first instituted in 2009 – will continue in 2011.

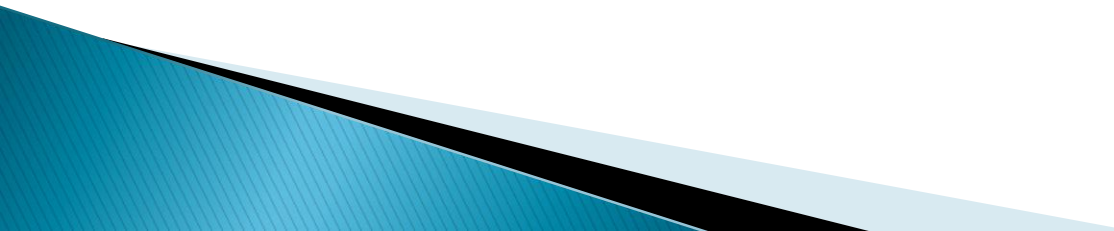
Neighborhoods

- ▶ All 6 non-payment Neighborhood Service Centers and the West Seattle payment and information center will be closed.
 - ▶ Services at West Seattle site will be consolidated with the nearby Delridge Service Center.
 - ▶ The remaining 6 payment sites (Delridge, University District, Central District, Lake City, Southeast, and Ballard) will remain open.
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Rates

- ▶ Seattle City Light rates will increase by 4.3% in 2011 and 4.2% in 2012.
- ▶ Solid Waste rates will increase by 7.5% in 2011.
- ▶ Drainage rates will increase by 12.8% in 2011 or about \$2.19 per month for an average household.
- ▶ Wastewater rates will increase by 4% in 2011, or about \$1.87 per month for an average household, not including an anticipated pass through from King County for wastewater treatment costs that is historically considered by Council outside of the budget process.
- ▶ Water rates will increase approximately 3.5% in 2011.

Parking Rates

- ▶ The hourly parking meter rate increases by \$1.50 an hour downtown and 50 cents in other parts of the city.
 - ▶ Paid parking hours are extended by two hours until 8 p.m. (Monday – Saturday), and paid parking is instituted on Sundays (11 a.m. – 6 p.m.).
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Increased fees include:

- ▶ cat licenses;
 - ▶ the Library's daily fine rate and rate to print from Library computers;
 - ▶ security system false alarms triggering a police response; and
 - ▶ fees charged at the following Parks and Recreation facilities: Japanese Garden, Camp Long, Amy Yee Tennis Center, swimming pools, athletic fields, boat ramps, community meeting rooms and gymnasiums, special events – ceremonies, picnics, and the Langston Hughes Performing Arts.
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Looking Ahead

- ▶ By making tough decisions that focus on ongoing budget changes, Mayor McGinn's 2011–2012 Proposed Budget makes significant strides toward putting the City's services and finances on a more sustainable path.
 - ▶ Assuming the economic and revenue forecasts hold, reductions and revenue changes assumed for the General Fund in 2011 will be sufficient to maintain a balanced budget for 2012 without additional reductions.
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